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->From the Editor's Keyboard           "Saying it like it is!"
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In a few days, the world will be remembering the attacks on the World Trade Center, the Pentagon, and the crash of Flight 93 in Shanksville. It's been 10 years, ten long years. A lot has changed since the events of that fateful day, and not necessarily for the better. The U.S. - no, the world, had been put on notice that no one is safe from terrorism. But, the world has answered, and egotistical despots have been taken down throughout the world. But, the world is still full of such maniacs. But more and more of the citizens of those countries are finally making a statement, tiring of the tyranny. How all of this will end is anyone's guess, so we'll just have to watch as these events unfold.

There's nothing that I can say about that fateful day ten years ago that hasn't been said, or will be said again. It will be a day to remember what happened. It will also be a day to recall and honor those who were victims, and all those who were affected.

So, take a minute on Sunday morning to reflect on those events - Never Forget!

Until next time...

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->In This Week's Gaming Section - Sony Hires Former Homeland Security Officer!

      "*****"          4G 'PlayStation Phone' Coming to AT&T!
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->A-ONE's Game Console Industry News - The Latest Gaming News!

## Sony Hires Former Homeland Security Officer

In a clear sign that Sony has learned a lesson from its security drama, the Japanese electronics maker has recruited a heavy hitter to its team.

Sony Corp. named Philip R. Reitinger as its senior vice president and chief information security officer. Reitinger, who was once a member of the U.S. Homeland Security Department, is now the corporate exec in charge of global information security and privacy for the company.

"Certainly the network issue was a catalyst for the appointment," a Sony spokesman told Reuters. "We are looking to bolster our network security even further."

Sony took a black eye in April when hackers infiltrated its Sony PlayStation Network. Just weeks later, LulzSec, the same hackers who broke into the PBS website and led many to believe that murdered rapper Tupac Shakur was still alive, took responsibility for another attack on Sony Online Entertainment. During that attack, information from about 100 million user account profiles was exposed.

Shares in Sony stock have plummeted a whopping 55 percent since the company admitted to the massive hacking on April 27. The PlayStation hack rattled investor confidence in Sony's plans to expand into online music and movie distribution, and at the same time the electronics giant's TV business saw losses and economic conditions in general have worsened.

Rob Enderle, principal analyst at The Enderle Group, said Reitinger's appointment was a wise move. As he sees it, Sony needs to send a message that it is taking security seriously.

"Sony's breaches were largely caused by the company's own failures. Before the breaches occurred Sony had become a rolling joke with the security community, which had been outspoken about the fact that Sony was exposed and it was just a matter of time before someone compromised them," Enderle said.

"When you demonstrate negligence it's incredibly important, unless you enjoy litigation, that you overemphasize a focus on correcting the problem. Bringing on someone with a pedigree like Reitinger's goes a long way toward doing that."

Reitinger is a well-known veteran in the information security community. Beyond the Department of Homeland Security, he also has held key cyber-security positions at Microsoft, the Department of Defense and the Department of Justice. He graduated from Vanderbilt University with a bachelor's degree in electrical engineering and computer science, and from Yale Law School.

In his new role, Reitinger will be responsible for assuring the security of Sony's information assets and services. He will oversee information security, privacy and Internet safety across the company, coordinating closely with key headquarters groups and working in partnership with the information security community to bring the best ideas and approaches to Sony.

Is Reitinger's appointment enough to impress investors? Not in and of itself, analysts said.

Enderle suggested Sony's issue is the appearance of lacking confidence, with security just one aspect of the overall problem. In order to win back investors, he said, Sony needs to address the broader picture.

"The contrast between Sony and Apple, and Apple was based on Steve Jobs' idolized view of Sony, is just too stark," Enderle said. "The investors really want Sony to step up to its potential and will likely continue to punish the firm - even if they fix the security problems - if they don't start living up to that potential."

#### 4G 'PlayStation Phone' Coming to AT&T Sept. 18

Haven't gotten a "PlayStation Certified" Xperia Play on Verizon yet? Good things come to those who wait. Not only is the world's only gaming phone with a slide-out controller coming to AT&T, it's got a host of exclusives and upgrades included, according to an AT&T press release:

"Stealth Blue" color

Tired of your gray-and-black smartphone chassis? (Or aluminum and glass, if you go Apple.) Gaming gadgets like the Nintendo DS have long had cool features like different-colored backplates. Now the PlayStation phone's sporting a royal blue outfit, to go with your choice of live wallpapers.

Seven exclusive games

Dungeon Defenders: Second Wave? Asphalt 6 Adrenaline? Star Battalion? If you're familiar with the mobile gaming scene at all, these names are pretty big, and they're among the seven that come with the AT&T Xperia Play. But so are some names you might recognize outside of the Android and iOS world, like The Sims 3 and Crash Bandicoot.

With the ability to buy games from both the Android Market and the Xperia Play's store of PlayStation games, there's something for everyone. Plus, many games are already optimized for use with the Xperia Play's slide-out controller - like Minecraft: Pocket Edition - and more are being added all the time.

Bonus accessories

What's better than getting an awesome smartphone? Getting a multimedia dock along with it. The "Sony Ericsson Multimedia Dock DK300" is also a charging station that converts your phone into a clock, while an extra exclusive cable lets you connect it to external speakers. Both are included free with the new bundle package.

4G capabilities

These aren't the LTE speeds available on Verizon's 4G network; just the HSPA+ on AT&T's (which is more like 3-and-a-half-G). But then, the Xperia Play on Verizon's network doesn't have a 4G wireless radio either, so this is an upgrade both for the phone and the network.

So is it worth getting for \$50?

Because that's how much it's going to cost on contract, when it's released

September 18!

The answer is "it depends." The iPhone 4 is still, in many ways, the best gaming smartphone, if only because it has more and better games. The "PlayStation Phone" can't use the PlayStation Network for much more than chatting, and buys its games from a separate store than PSP / PS3 owners get theirs. And it's not quite as state-of-the-art anymore as it was when it first came out; it lacks a dual-core processor, and there's no word yet on whether or not its screen is still as dim as when it was released.

It's still the only phone that has the dual-touchpad slider control, though. And the fact that a new model of Xperia Play is being released shows promise for the future, as it means that a new PlayStation Certified phone is even more likely.

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A-ONE's Headline News  
The Latest in Computer Technology News  
Compiled by: Dana P. Jacobson

#### Internet Archive Shows September 11 Coverage

For many in New York and Washington, Sept. 11, 2001, was a personal experience, an attack on their cities. Most everywhere else in the world, it was a television event.

TV's commemoration as the 10th anniversary approaches on Sunday puts that day in many different contexts. There is one place, however, for people to see the Sept. 11 attacks and the week after as they unfolded, without any filters.

The Internet Archive, a California-based organization that collects audio, moving images and Web pages for historical purposes, has put together a television news archive of that day's coverage.

More than 20 channels were recorded with more than 3,000 hours of television. Besides major U.S. networks like ABC, CBS, CNN and NBC, the Internet Archive has posted online TV recordings from Moscow, Paris, London, Baghdad, Tokyo, Ottawa and elsewhere.

The site is available at <http://www.archive.org/details/911/day>.

The material is valuable to researchers, but the Internet Archive wanted to make it easy to use so the general public can go back and see what that day was like, said Brewster Kahle, the organization's director.

"It is one of the top four or five events that have happened on television," Kahle said. "You can think of putting a man on the moon, the Watergate hearings, the Kennedy assassination. I'm hopeful that people will come to this and make their own decisions about how they want to think about it, as opposed to politicians who have been pushing and pulling the event for years."

The archive begins at 8 a.m. ET, or 46 minutes before American Airlines Flight 11 crashed into the North Tower of the World Trade Center.

That alone is interesting for the striking contrast it provides with the last seemingly carefree moments before several tough years. On NBC's "Today" show, Katie Couric talks brightly of "a beautiful fall morning in Manhattan" and the camera pans to a cheering crowd. Charles Gibson mocks his "Good Morning America" colleague Diane Sawyer for writing notes on her hand, and ABC's Claire Shipman said the biggest news in Washington was Michael Jordan giving hints he might return to the basketball court.

Out of a commercial late in the morning shows, even cutting one commercial short on CNN, suddenly came camera shots of a burning World Trade Center, ones that would dominate screens for several hours.

Newscasters were careful before the story became clear. Matt Lauer initially called it an "accident." Morning shows effectively used phone calls from eyewitnesses adding details beyond the faraway camera shots. "It's mind-boggling and it's horrifying," one witness, Jennifer Oberstein, told Lauer.

Then came one of many unthinkable moments: a second plane darting into pictures and crashing into the second tower, exploding in a fireball and falling debris.

"We just saw another plane coming in to the other side," Gibson said. "This looks like there is some sort of concerted effort to attack the World Trade Center that is underway."

Later, when the towers collapsed, one after the other, it seemed so inconceivable that anchors initially couldn't grasp what viewers had seen on the screen. NBC's Tom Brokaw talked of structural damage so severe that the buildings would probably have to be brought down - after one of them already came down on its own.

"The whole side has collapsed," ABC's Peter Jennings said when the first tower came down.

"The whole building has collapsed," ABC's reporter on the scene, Don Dahler, corrected him.

"The whole building has collapsed?" Jennings responded.

CNN's Aaron Brown responded with the horror most viewers no doubt felt when the second tower fell. "Good lord," he said. "There are no words."

"The landscape of New York has just been changed and you have to presume that thousands of lives have been extinguished," Jennings said.

In those early hours, ABC's John Miller and NBC's Andrea Mitchell had raised the name of Osama bin Laden as possibly the man behind the attacks, even as the networks reported the false claim of a Palestinian organization taking credit.

Also interesting are the perspectives from overseas. The BBC in London, for example, showed video of people jumping or falling from the towers - images that American networks stayed away from. In Moscow, a newscaster who broke into a program to report on the towers collapsing displayed a voice halting with emotion.

The site is easy to navigate, with timelines that direct users to specific events of the morning, such as when the second plane hit the trade center and when each tower collapsed. It can be frustrating to use, however, as the video is displayed in 30- or 40-second blocks instead of continuous streams. And there are occasional gaps; large portions of CBS' coverage is missing, for example.

Kahle said he believed it was important to provide this resource. There are surprisingly few ways for people to go back and see television news reports, at least compared to print, he noted.

"It is so important yet it has been, up until now, quite ephemeral," he said.

#### Hackers Faked Security Guarantees for CIA Website

The Dutch government says hackers who broke into a web security firm in the Netherlands last month issued hundreds of bogus security certificates for websites including the CIA and Israel's Mossad, as well as Internet giants such as Google, Microsoft and Twitter.

The fake certificates could in theory be used to monitor users' communications with those sites without them noticing, but only by an organization that also has the ability to reroute Internet traffic to servers they control - most likely a government.

A handful of Iranian users of Google's popular email service are known to have been affected.

The Dutch government said Monday Internet browser makers are now rejecting all security certificates issued by the hacked firm, DigiNotar.

#### Microsoft Online Services Hit by Major Failure

Millions of Microsoft users were left unable to access some online services overnight because of a major service failure.

Hotmail, Office 365 and Skydrive were among the services affected.

Microsoft was still analysing the cause of the problem on Friday morning, but said it appeared to be related to the internet's DNS address system.

Such a major problem is likely to raise questions about the reliability of cloud computing versus local storage.

Especially embarrassing is the temporary loss of Office 365, the company's alternative to Google's suite of online apps.

Its service also went offline briefly in mid-August, less than two months after it launched.

The latest disruption is believed to have lasted for around

two-and-a-half hours, between 0300 GMT and 0530 GMT.

In a blog <[http://windowsteamblog.com/windows\\_live/b/windowslive/](http://windowsteamblog.com/windows_live/b/windowslive/)>, posted at 0649 GMT, Microsoft said: "We have completed propagating our DNS configuration changes around the world, and have restored service for most customers."

The Domain Name System (DNS) is responsible for translating URL web addresses , such as [bbc.co.uk](http://bbc.co.uk) into the internet's native system of IP addresses, e.g. 212.58.246.95.

Microsoft is not alone in suffering problems with its cloud-based applications. Google Docs was unavailable for a period on Wednesday.

However, the fact that Microsoft's Office 365 is a paid-for service, with users charged £4 per month, may raise expectations of a more robust setup.

Moving applications from installed software on individual computers, to web-based "software as a service" has been a major trend in computing in recent years.

Such systems are seen as easier to manage, simpler to scale-up and down, and potentially offering more robust security.

But a number of high profile failures have dented confidence in cloud computing.

Among them have been several failures of Amazon's EC2 - the company's remote computing service, which allows businesses to hire additional processing power and storage on demand.

The system failed in April 2011, impacting several large websites, including Foursquare and Reddit.

Another period of down time in August brought affected many of the same websites.

"There will be an element of confidence shaken," said Ken Moody, data centre services manager at the Cloud Computing Centre.

Avoiding major cloud problems in future would depend on IT companies' ability to spread the risk, according to Mr Moody.

"People should look at smaller data centres which are divided up where resilience could be guaranteed," he told BBC News.

"Our service level agreements are 99.99% because we don't put everything into one large data centre."

Mr Moody said that no-one, including its users, knows exactly how Microsoft's cloud computing systems are structured.

Building future confidence in the platform may depend on sharing more information.

"There's a requirement for transparency and communication to prospective clients," he said.



## Yahoo's Stock Rises After Bartz Fired As CEO

Yahoo's stock rose more than 5 percent on Wednesday after the company fired its CEO following more than 2½ years of financial lethargy.

Tuesday's ouster came as investors were convinced that Carol Bartz couldn't steer the Internet company to a long-promised turnaround.

To fill the void, Yahoo's board named Tim Morse, its chief financial officer, as interim CEO. Bartz, who became CEO in 2009, lured Morse away from computer chip maker Altera Corp. two years ago to help her cut costs. Yahoo said it is looking for a permanent replacement.

Yahoo Chairman Roy Bostock, also a target of shareholder frustration, informed Bartz about the move over the phone, according to an e-mail the outgoing CEO sent from her iPad that was obtained by the All Things D technology blog. The blog first reported Bartz's ouster.

Yahoo didn't return requests for comment Tuesday and Wednesday.

Bartz's rude dismissal "made you feel a little bit like you were watching some reality TV show," Forrester Research analyst Shar VanBoskirk said Wednesday.

Macquarie Securities analyst Ben Schachter said the handling of Bartz's departure was unseemly and a sign of even more drama to come at Yahoo.

In a research note late Tuesday, Schachter predicted there will be a wide range of conjecture about Yahoo's future, with the most likely speculation centering on Yahoo as a takeover target during a vulnerable time.

Alternatively, Yahoo could make a bold move itself by trying to buy the online video site Hulu.com, which is already talking to suitors, or trying to sell its 43 percent stake in the Alibaba Group, one of China's most prized Internet companies. Bartz's tense relationship with Alibaba CEO Jack Ma had fed investor dissatisfaction about her leadership.

Youssef Squali at Jefferies & Co. said that the Internet company's challenges, and the fact that Bartz was Yahoo's third CEO in four years, will make it tough for the board to find an "A player" for the job.

Squali said Yahoo could be sold to a large media company like News Corp. or be bought by some sort of consortium that could feature Microsoft Corp. or AOL Inc.

"In all, we believe that it is more likely that the board reaches an agreement to sell the company or parts of the company before a new CEO is found," Squali wrote Wednesday.

In a statement Tuesday, Yahoo said it is undergoing a "comprehensive strategic review" in its latest effort to give investors a reason to buy its stock, but the company didn't offer details.

Bartz, 63, led an austerity campaign helped boost Yahoo's earnings, but the company didn't increase its revenue even as the Internet ad market grew at a rapid clip.

The financial funk, along with recent setbacks in Yahoo's online search

partnership with Microsoft Corp. and the Alibaba investment, proved to be Bartz's downfall. Her ouster comes with 16 months left on a four-year contract that she signed in January 2009.

That contract entitles her to severance payments that could be two to three times her annual salary and bonus, along with stock incentives she received during her tenure. Bartz received a \$2.2 million bonus to supplement her \$1 million salary last year.

Yahoo has now replaced three CEOs in a little over four years. During that time, Yahoo has lost ground in the Internet ad race to online search leader Google Inc. and Facebook even though its website remains among the world's most popular.

Known for her no-nonsense leadership and sometimes gruff language, Bartz arrived at Yahoo as a respected Silicon Valley executive who had won praise for turning around business software maker Autodesk Inc. But she had no previous experience in Internet advertising, the main way Yahoo makes money.

That hole in her resume immediately raised questions whether she was qualified for the job, and those doubts only escalated as Yahoo's revenue continued to sag.

At first, Bartz blamed bad timing; she started the job during some of the bleakest months of the Great Recession. Later, she would say that she inherited such a mess from her two predecessors, Yahoo co-founder Jerry Yang and former movie studio boss Terry Semel, and that it would take time to get Yahoo back on the right track.

At one point, she even compared her challenge to those that faced Steve Jobs when he returned to Apple Inc. as CEO in 1997.

Unlike Jobs, Bartz never was able to articulate a strategy to win over investors.

"She focused on plugging holes in the ship instead of turning it around," said Gartner Inc. analyst Ray Valdes.

The disappointing performance was reflected in Yahoo's stock price, which closed Tuesday at \$12.91. That's 81 cents, or 7 percent, higher than where Yahoo shares stood when Bartz was hired as CEO. During the same period, Google's stock price has risen by more than \$200, or 66 percent, and the technology-driven Nasdaq composite index has climbed by 60 percent. A group of investors led by Goldman Sachs Group concluded privately held Facebook is worth \$50 billion in an appraisal done earlier this year. That's triple Yahoo's current market value.

Bartz never hit any of the price targets that the board set for her when she was hired. That means none of the 5 million stock options that she received upon signing her contract had vested by the time she was ushered out the door.

Investors seemed happy to see Bartz go. On Wednesday, the Sunnyvale-based company's stock rose 70 cents to close at \$13.61.

Although Bartz's exit as CEO came suddenly, her departure isn't a shock. The pressure to replace her grew earlier this year after Bartz acknowledged Yahoo's search partnership with Microsoft wasn't producing as much revenue as the companies anticipated.

Then, in May, Yahoo stunned investors by disclosing that Alibaba had spun off an online payment service in a move that threatened to diminish the value of Yahoo's investment in the Chinese company.

Alipay in July agreed to a complex settlement that could eventually be worth more than \$1 billion to Yahoo, but there were too many uncertainties in the deal to placate shareholders.

Bostock had steadfastly stood behind Bartz whenever she was attacked by investors or analysts. In a Tuesday statement, Bostock thanked Bartz for "her service to Yahoo during a critical time of transition in the company's history" without providing an explanation for why the board decided to replace her.

BGC partners analyst Colin Gillis said Yahoo's board "has got to look in the mirror here."

"Swapping the CEO without swapping the (board) chair doesn't solve your problem," he said. "The person that hired Carol to begin with deserves to share the culpability."

To help Morse, Yahoo set up an "executive leadership council" that includes some of the executives that Bartz recruited, including the company's products guru Blake Irving and the head of its North American operations, Ross Levinsohn. While he worked for News Corp., Levinsohn helped put together the Hulu video site and is seen as a possible CEO candidate.

Analysts also have speculated that David Kenny, an Internet veteran who joined Yahoo's board in April, might be a candidate for Yahoo's CEO job. Kenny is currently president of Internet networking services provider Akamai Technologies Inc.

With its stock sagging and its management in limbo, Yahoo could be more vulnerable to a takeover attempt by a private equity group or another opportunistic bidder attracted to what remains one of the Internet's best-known brands. Microsoft offered to buy Yahoo for \$47.5 billion, or \$33 per share, in 2008 only to be rebuffed.

#### Yahoo's Board Under Fire After Firing of CEO Bartz

Carol Bartz's firing as Yahoo Inc.'s CEO isn't going to be enough to placate a loudening chorus of shareholders who believe Chairman Roy Bostock and his fellow board members also should be ousted after years of questionable choices that raised doubts about their competence.

The deepening disdain for Yahoo's board gained a potentially influential voice Thursday with the disclosure that successful hedge fund manager Daniel Loeb had bought a 5.2 percent stake in the company with designs on getting rid of Bostock and at least two other longtime directors.

Bartz, still technically a Yahoo board member, also fanned the flames in her first interview since Bostock fired her in a phone call late Tuesday. While defending her own decisions, Bartz called the board a bunch of "doofuses" in a profanity-laced interview with Fortune magazine.

Bartz, 63, wasn't a shareholder favorite either, but her description

summarized the sentiment of many investors who have been stewing since Bostock and fellow board member Jerry Yang balked at Microsoft Corp.'s May 2008 offer to buy the company for \$33 per share, or \$47.5 billion. They insisted they were pursuing a strategy that would make Yahoo worth much more than Microsoft's bid, an argument that now looks absurd. Yahoo shares haven't closed above \$20 in nearly three years. The stock finished Thursday at \$14.44, a gain of 83 cents, or 6 percent, that was propelled by Loeb's attack on the board.

"This board has presided over some of the worst decisions made by any company in recent history," said Darren Chervitz, co-manager of the Jacob Internet Fund, a longtime Yahoo shareholder.

Even so, Yahoo's 10-member board probably still isn't viewed as the worst in Silicon Valley, said BGP Financial Partners Colin Gillis. He thinks that lowly title belongs to Hewlett-Packard Co.'s board, which has snooped into people's phone records and 13 months ago switched CEOs in a move that has been followed by a nearly 50 percent drop in the company's market value that has wiped out about \$45 billion in shareholder wealth. By comparison, Yahoo's market value is about \$30 billion below Microsoft's last offer.

Gillis worries, though, that Yahoo's board will do more damage as long as Bostock and the current members remain. Possible missteps include bidding too high for video website Hulu.com, which is up for sale, or picking poorly when they settle on a permanent leader to take over from interim CEO Tim Morse.

"They could still do something really foolish," Gillis said. "The concern out there is that this is not a functional board."

Loeb hopes to shake things up through his Third Point fund, which specializes on buying stakes in troubled companies. In a letter Thursday, Loeb demanded the resignation of Bostock and two other directors, Arthur Kern and Vyomesh Joshi. Kern, who has a background in radio broadcasting, has been on the board since 1996 while Joshi, a top HP executive, has been a director since 2005. Loeb also said he expects Susan James, a board member since last year, to step down because he considers her too close to Bartz.

"It is time that certain members of this board were held accountable for its past failures and their individual roles," Loeb wrote.

Loeb said he is drawing up an "all-star" list of potential replacements.

A spokesman for Yahoo's board said it welcomes a dialogue with Third Point.

"The Yahoo board recognizes the critical challenges facing the company and appreciates constructive input from all shareholders," the spokesman said.

In her interview with Fortune, Bartz said the board should bring her back as CEO because she "knew what to do."

Loeb, Chervitz and other shareholders have made it clear they believe Bartz had to go. One of their biggest grievances is that Yahoo's board signed Bartz to a four-year contract in January 2009, even though she had no previous experience running an Internet company or one that sells advertising to make money. She was most recently CEO and then executive chairman of design software maker Autodesk. The board's critics also think the board waited far too long to replace Bartz.

But Bartz felt she was being turned into a scapegoat by a board that she says is still haunted by its rebuff of Microsoft's takeover offer.

"The board was so spooked by being cast as the worst board in the country," Bartz said. "Now they're trying to show that they're not the doofuses that they are."

During Bartz's tenure, five Yahoo directors left the board and four of the spots were filled with new appointees. Bartz remains on the board, a seat she told Fortune she intends to keep.

But Yahoo doesn't want her in the boardroom. "Ms. Bartz is obligated to resign from the board, and we expect her to do so," the company spokesman said. Yahoo already has removed Bartz's picture and biography from the section of its website devoted to its board.

Bostock, who is also vice chairman of Delta Air Lines Inc., has steadfastly refused to surrender his post at Yahoo even after nearly 40 percent of shareholders voted against his re-election in 2008 after the Microsoft talks collapsed. About 20 percent of Yahoo's shareholders opposed Bostock's re-election at the company's latest annual meeting. During that meeting, Bostock told shareholders that Yahoo's board was "very supportive" of Bartz.

Yahoo leaves the evaluation of its directors' performances up to its nominating and corporate governance committee. That's chaired by Patti Hart, a Yahoo board member for the past 14 months and CEO of casino game maker International Game Technology.

If the board truly values its shareholder opinion, Chervitz thinks a majority of the directors should pressure Bostock into resigning.

"I do not delude myself into thinking that will necessarily change the company's direction or drive up the stock price, but it would have important symbolic value," he said. "(Bostock) picked the wrong person to be CEO last time and waited too long to get rid of her. Now, it's time for the accountability to move up the chain of command."

#### Should Amazon Be Required to Collect Sales Tax?

Should Amazon be required to collect sales tax on online purchases? The behemoth online retailer remains at odds with California legislators over that very issue.

In June, state tax legislation was signed into effect requiring the site to collect a 7.25% base sales tax on online purchases made by consumers in California. Amazon has thus far avoided its obligation, opting instead to circumvent the law by severing ties with its affiliates in California.

Now, the Internet ecommerce giant is collecting signatures in an effort to take the issue to state voters next June. "Once it submits the signatures for the referendum and they are verified, the law will be suspended until the vote," the New York Times reports.

State lawmakers, meanwhile, are working to pass urgent legislation to thwart Amazon's attempts. Amazon, says the Times, has drafted a counterproposal that offers to build two warehouses and hire 7,000 workers

in the state if the sales tax matter is suspended for a few years.

The battle has become a hot button issue in California - a state in dire need of revenues from sales tax - and beyond.

"Amazon fears that a defeat in California will sway legislators across the country, and that it will lose a critical pricing advantage. It is fighting a similar measure in New York in the courts," the Times writes.

"Like so many others, I love the convenience of shopping at Amazon, the unparalleled selection, the great customer service, the ease of checkout, the low prices. I don't need the added incentive of no sales tax to make me shop there," O'Reilly Media founder and Silicon Valley thought-leader Tim O'Reilly opined on Google+ Monday morning. "Yes, it would be a minor inconvenience for Amazon to collect sales tax for every county in the nation ... But at this point, the added advantage we're giving to them and other online retailers is completely unnecessary, except to gild their bottom line."

#### Amazon Sales Tax Deal in California May Help Rivals

Amazon.com Inc's agreement to start collecting sales tax in California next year may help brick and mortar rivals compete on prices with the world's largest Internet retailer.

In a meeting on Wednesday of Amazon representatives, members of the state legislature and the California Retailers Association, the parties reached a "handshake" agreement on the issue, according to Mark Hedlund, a spokesman for Senate President Pro Tem Darrell Steinberg.

Amazon will drop its effort to overturn a law passed earlier this year that required the company to collect sales tax starting in July. In return, Amazon will not have to collect sales tax in California until September 2012, Hedlund said.

If Congress passes national online sales tax legislation before July 1, 2012, that law will supersede the California agreement. The handshake agreement is being written as an amendment to the state law and the changes still have to be voted on, hopefully this week, Hedlund said.

Online retailers without a physical presence in a state do not have to collect sales tax on purchases by those residents. As e-commerce ballooned in recent years, that exemption came under pressure from several states looking to fill big budget gaps.

Brick and mortar retailers have been pushing hard behind the scenes to get Amazon to collect sales tax. The pact struck Wednesday is a victory for companies such as Wal-Mart Stores Inc, Best Buy Co Inc and Staples Inc.

"The Internet is an important channel for sales now and its growth is going to compel a solution from Congress," said David French, senior vice president of government relations at the National Retail Federation.

The California deal puts Amazon and bricks and mortar retailers more on the same page, which will help with a national solution, he added.

"The bottom line is that a potential agreement is a positive for brick and

mortar retailers as it will level the sales tax playing field in a critical state in less than 12 months time, and may become the model applied nationwide," Gary Balter, an analyst at Credit Suisse, wrote in a note to investors on Thursday.

In the hard-line retail sector, the biggest beneficiaries will be categories that are most price sensitive and where Internet penetration is above the average of 7 percent, the analyst added.

E-commerce accounts for more than 20 percent of consumer electronics and office supply sales, according to Balter.

"However, Amazon and other Internet retailers are making serious inroads in Pet Supply, Home Improvement and other categories and this agreement may slow that down," the analyst added.

Amazon spokeswoman Mary Osako said: "On pricing, we offer low prices whether or not we collect and remit sales tax."

She declined to comment on the California tax deal.

Amazon shares slipped 1.2 percent to close at \$217.26 on Thursday.

Higher-priced items sold online, such as big-screen TVs and diamonds, will likely be affected by the collection of sales tax, said Colin Sebastian, an analyst at RW Baird.

The shares of Blue Nile, which sells diamonds and jewelry online, declined 2.3 percent to close at \$36.74 on Thursday.

Still, Sebastian said the online sales tax issue looks more like a "smoke screen" for bigger problems faced by brick and mortar retailers.

Scott Tilghman, an analyst Caris & Company, reckons most consumers shop online for convenience and selection rather than to avoid sales tax.

"There are marginal customers that do make purchases online for that reason, but my sense in talking to a broad range of people is that group is a very small minority," he told Reuters.

There is a perception that online offerings are cheaper, but that is not always the case, Tilghman added.

In cases where products are cheaper online, the price advantage may shrink once sales tax is imposed, but it will still exist.

"Pricing transparency through apps and comparison shopping websites is more likely to pressure brick and mortar than sales tax collection is to help it," the analyst concluded.

#### WikiLeaks Reveals All, Media Groups Criticize Move

WikiLeaks disclosed its entire archive of U.S. State Department cables Friday, much if not all of it uncensored - a move that drew stinging condemnation from major newspapers which in the past collaborated with the anti-secrecy group's efforts to expose corruption and double-dealing.

Many media outlets, including The Associated Press, previously had access to all or part of the uncensored tome. But WikiLeaks' decision to post the 251,287 cables on its website makes potentially sensitive diplomatic sources available to anyone, anywhere at the stroke of a key. American officials have warned that the disclosures could jeopardize vulnerable people such as opposition figures or human rights campaigners.

A joint statement published on the Guardian's website said that the British publication and its international counterparts - The New York Times, France's Le Monde, Germany's Der Spiegel and Spain's El Pais - "deplore the decision of WikiLeaks to publish the unredacted State Department cables, which may put sources at risk."

Previously, international media outlets - and WikiLeaks itself - had redacted the names of potentially vulnerable sources, although the standard has varied and some experts warned that even people whose names had been kept out of the cables were still at risk.

But now many, and possibly even all, of the cables posted to the WikiLeaks website carried unredacted names.

There's a debate over what kind of an impact that will have.

In an interview with the AP earlier this week, former U.S. State Department official P.J. Crowley warned that the new release could be used to intimidate activists in authoritarian countries. Crowley said "any autocratic security service worth its salt" probably already would have the complete unredacted archive of cables, but that the fresh releases mean that any intelligence agency that did not "will have it in short order."

WikiLeaks staff members have not returned repeated requests for comment sent in the past two days. But in a series of messages on Twitter, the group suggested that it had no choice but to publish the archive because copies of the document were already circulating online following a security breach.

WikiLeaks has blamed the Guardian for the blunder, pointing out that a sensitive password used to decrypt the files was published in a book put out by David Leigh, one of the paper's investigative reporters and a collaborator-turned-critic of WikiLeaks founder Julian Assange.

But the Guardian, Leigh and others have rejected the claim. Although the password was in fact published in Leigh's book about seven months ago, Guardian journalists have suggested that the real problem was that WikiLeaks posted the encrypted file to the Web by accident and that Assange never bothered to change the password needed to unlock it.

In their statement, the Guardian's international partners lined up to slam the 40-year-old former computer hacker.

"We cannot defend the needless publication of the complete data - indeed, we are united in condemning it," the statement read. It added: "The decision to publish by Julian Assange was his, and his alone."

The media organizations' rejection is a further blow to WikiLeaks, whose site is under financial embargo and whose leader remains under virtual house arrest in an English country mansion pending extradition proceedings to Sweden on unrelated sexual assault allegations.

It's also a sign of the borderless online whistleblower's increasing



estrangement from traditional media outlets. Assange and his supporters have long feuded with the Guardian and The New York Times, and in a recent statement the group noted that other Western media organizations had "slowed their rate of publishing" stories derived from the cables.

As a result, the anti-secrecy site said it would increasingly turn to "crowdsourcing" - that is, relying on Internet users to sift through its leaked documents and flag important material.

It's a relatively new tactic for the group, which has in the past relied on mainstream partners to organize and promote its spectacular leaks of classified information - including hundreds of thousands of U.S. intelligence documents detailing the course of America's wars in Iraq and Afghanistan.

WikiLeaks says the process is working, pointing to one document flagged by Twitter users who've already begun perusing the newly released files.

The cable, filed in 2006, carries an explosive allegation that U.S. forces entered a house during a 2006 raid in Iraq, handcuffed 10 members of the same family and executed them.

Although the U.N. letter in which the allegation was made was five years old, its publication put new pressure on the already strained negotiations over keeping U.S. forces in Iraq. Iraq's government said Friday that it is investigating, and some officials said the document is reason enough for the country to force the American military to leave instead of signing a deal allowing troops to stay beyond a year-end departure deadline.

"Crowdsourcing has proved to be a success," WikiLeaks said.

But amid the controversy over the unredacted cables, some supporters are keeping their distance. The press freedom group Reporters Without Borders said Thursday that it had temporarily suspended its WikiLeaks "mirror site." Such sites act as carbon-copies of their originals, relieving pressure due to heavy traffic and preserving data in case of attack.

In a statement, Reporters said it had "neither the technical, human or financial resources to check each cable" for information that could harm innocent people and thus "has to play safe."

#### Jury Being Chosen in 'Take Up Arms' Blogger Trial

Jury selection began Wednesday in the trial of a blogger who was arrested two years ago for urging readers to "take up arms" against Connecticut lawmakers and suggesting that government officials "obey the Constitution or die" after a legislative debate about Catholic Church finances.

The prosecution and defense began questioning potential jurors in Hartford Superior Court in the case of Harold "Hal" Turner, a North Bergen, N.J., resident who is already serving a nearly three-year prison sentence for making death threats against federal judges in Illinois. Turner insists his comments were protected by the First Amendment right of free speech.

Six jurors, plus two alternates, will be chosen for the trial, which is expected to begin Sept. 15 and last up to four days.

Also Wednesday, officials disclosed in court that the state had revised its charges against Turner to one count of felony inciting injury to persons and one count of misdemeanor threatening. Turner had faced three counts of inciting injury to persons, which carries one to 10 years in prison per count upon conviction. The new charges reduce the potential prison time in the case.

Turner, 49, who wore a dark suit and was clean-shaven in the courtroom as his family watched from the small crowd, pleaded not guilty to the revised charges Wednesday and demanded that the judge honor what he called his right to have a grand jury review the case before it went to trial. But Judge Carl Schuman told Turner there is no such right in Connecticut state courts.

Before the trial begins, Turner's public defender, John Stawicki, is expected to file a motion to dismiss the threatening charge. Schuman announced Wednesday that he denied Turner's previous motions to dismiss the three inciting charges. Besides the free speech claim, Stawicki argued that Turner never meant for anyone to get hurt and that Connecticut courts didn't have jurisdiction because Turner made the blog comments at his home in New Jersey.

Connecticut Capitol police arrested Turner in June 2009 after he wrote on his blog that Catholics should "take up arms and put down this tyranny by force" and promised to post lawmakers' addresses. He was angry over legislation that would have given lay members of Roman Catholic churches in the state more control over parish finances. The bill actually had been withdrawn three months before the blog post.

"It is our intent to foment direct actions against these individuals personally," Turner wrote. "These beastly government officials should be made an example of as a warning to others in government: Obey the Constitution or die."

Stawicki said during pretrial arguments that the comments were as harmless as baseball fans shouting, "Kill the umpire!"

Police said Turner's specific targets were the co-chairmen of the legislature's Judiciary Committee at the time - Sen. Andrew McDonald and Rep. Michael Lawlor, who both now hold high-ranking positions in Gov. Dannel P. Malloy's administration - and state ethics enforcement officer Thomas Jones.

Prosecutors Thomas Garcia told prospective jurors that he may call up to five witnesses: McDonald, Lawlor, Jones, Capitol Police Cpl. Timothy Boyle and David Bednarz, now a spokesman for Malloy.

Stawicki said he wasn't sure if he would call any witnesses, noting that the burden of proof is on the prosecution.

In the case of the Illinois judges, Turner was sentenced in December to 33 months in prison. The case stemmed from a 2009 ruling by the 7th U.S. Circuit Court of Appeals that upheld a lower court decision dismissing lawsuits that challenged handgun bans in Chicago and Oak Park, Ill.

Turner criticized the ruling online, saying, "These judges must die."

According to new data posted this week from a company called Net Applications, Microsoft's Internet Explorer appears to be continuing a downward spiral. Over the last ten months, Microsoft has lost five percent of the web browser market while Google's Chrome has gained about six percent. The amount of people using Internet Explorer is expected to fall below the 50 percent mark around late May of 2012. One bright point for Microsoft is that usage of its latest version of Internet Explorer, IE9, increased by about two percent from July to August. However, IE9 is limited to usage on Windows Vista and Windows 7. Windows XP users are limited to Internet Explorer 8 until upgrading.

Across all operating systems, Internet Explorer 8 is the most popular browser at a bit over 30 percent of the market. Google Chrome 13 followed in second place at about 11 percent of the market and the aging, third place Internet Explorer 6 clocked in at about 10 percent. This version of Internet Explorer is often reviled by web designers and developers, but it seemed to hold fairly strong over July to August and barely dropped in usage. The ability of Google Chrome to quietly upgrade without bothering the consumer seems to have helped Google keep its user base consistently using the latest version of the browser.

Mozilla's Firefox has remained fairly stagnant over the last 10 months, but has only lost about one percent of the browser market. Mozilla recently switched to an upgrade cycle identical to Google Chrome as the inability to roll out quick updates made the browser seem stale in comparison to Chrome. Apple's Safari browser slowly gained market share over the last year to the tune of one percent and the Opera browser seems to be slowly fading away. Opera's share dropped from 2.42 percent in September 2010 to 1.68 percent in August 2011.

#### Many U.S. Schools Adding iPads, Trimming Textbooks

For incoming freshmen at western Connecticut's suburban Brookfield High School, hefting a backpack weighed down with textbooks is about to give way to tapping out notes and flipping electronic pages on a glossy iPad tablet computer.

A few hours away, every student at Burlington High School near Boston will also start the year with new school-issued iPads, each loaded with electronic textbooks and other online resources in place of traditional bulky texts.

While iPads have rocketed to popularity on many college campuses since Apple Inc. introduced the device in spring 2010, many public secondary schools this fall will move away from textbooks in favor of the lightweight tablet computers.

Apple officials say they know of more than 600 districts that have launched what are called "one-to-one" programs, in which at least one classroom of students is getting iPads for each student to use throughout the school day.

Nearly two-thirds of them have begun since July, according to Apple.

New programs are being announced on a regular basis, too. As recently as

Wednesday, Kentucky's education commissioner and the superintendent of schools in Woodford County, Ky., said that Woodford County High will become the state's first public high school to give each of its 1,250 students an iPad.

At Burlington High in suburban Boston, principal Patrick Larkin calls the \$500 iPads a better long-term investment than textbooks, though he said the school will still use traditional texts in some courses if suitable electronic programs aren't yet available.

"I don't want to generalize because I don't want to insult people who are working hard to make those resources," Larkin said of textbooks, "but they're pretty much outdated the minute they're printed and certainly by the time they're delivered. The bottom line is that the iPads will give our kids a chance to use much more relevant materials."

The trend has not been limited to wealthy suburban districts. New York City, Chicago and many other urban districts also are buying large numbers of iPads.

The iPads generally cost districts between \$500 and \$600, depending on what accessories and service plans are purchased.

By comparison, Brookfield High in Connecticut estimates it spends at least that much yearly on every student's textbooks, not including graphing calculators, dictionaries and other accessories they can get on the iPads.

Educators say the sleek, flat tablet computers offer a variety of benefits.

They include interactive programs to demonstrate problem-solving in math, scratchpad features for note-taking and bookmarking, the ability to immediately send quizzes and homework to teachers, and the chance to view videos or tutorials on everything from important historical events to learning foreign languages.

They're especially popular in special education services, for children with autism spectrum disorders and learning disabilities, and for those who learn best when something is explained with visual images, not just through talking.

Some advocates also say the interactive nature of learning on an iPad comes naturally to many of today's students, who've grown up with electronic devices as part of their everyday world.

But for all of the excitement surrounding the growth of iPads in public secondary schools, some experts watching the trend warn that the districts need to ensure they can support the wireless infrastructure, repairs and other costs that accompany a switch to such a tech-heavy approach.

And even with the most modern device in hand, students still need the basics of a solid curriculum and skilled teachers.

"There's a saying that the music is not in the piano and, in the same way, the learning is not in the device," said Mark Warschauer, an education and informatics professor at the University of California-Irvine whose specialties include research on the intersection of technology and education.

"I don't want to oversell these things or present the idea that these devices are miraculous, but they have some benefits and that's why so many people outside of schools are using them so much," he said.

One such iPad devotee is 15-year-old Christian Woods, who starts his sophomore year at Burlington, Mass., High School on a special student support team to help about 1,000 other teens adjust to their new tablets.

"I think people will like it. I really don't know anybody in high school that wouldn't want to get an iPad," he said. "We're always using technology at home, then when you're at school it's textbooks, so it's a good way to put all of that together."

Districts are varied in their policies on how they police students' use.

Many have filtering programs to keep students off websites that have not been pre-approved, and some require the students to turn in the iPads during vacation breaks and at the end of the school year. Others hold the reins a little more loosely.

"If we truly consider this a learning device, we don't want to take it away and say, 'Leaning stops in the summertime.' " said Larkin, the Burlington principal.

And the nation's domestic textbook publishing industry, accounting for \$5.5 billion in yearly sales to secondary schools, is taking notice of the trend with its own shift in a competitive race toward developing curriculum specifically for iPads.

At Boston-based Houghton Mifflin Harcourt, for instance, programmers scrambled to create an iPad-specific secondary school program starting almost as soon as Apple unveiled the tablet in spring 2010.

The publisher's HMH Fuse algebra program, which became available at the start of the 2010 school year, was among the first and is a top seller to districts. Another algebra program and a geometry offering are coming out now.

The HMH Fuse online app is free and gives users an idea of how it works, and the content can be downloaded for \$60. By comparison, the publisher's 950-page algebra text on which it was based is almost \$73 per copy, and doesn't include the graphing calculators, interactive videos and other features.

For a school that would buy 300 of the textbooks for its freshman class, for instance, the savings from using the online version would be almost \$4,000.

Jay Diskey, executive director of the Association of American Publishers' schools division, said all of the major textbook publishers are moving toward electronic offerings, but at least in the short term, traditional bound textbooks are here to stay.

"I think one of the real key questions that will be answered over the next several years is what sort of things work best in print for students and what sort of things work best digitally," Diskey said. "I think we're on the cusp of a whole new area of research and comprehension about what digital learning means."

## .XXX Domains Go On Sale Wednesday

Registered trademark and brand holders will get a chance to secure .xxx domains Wednesday, if only to fend off cybersquatters.

The ICM Registry, which doles out domains to third parties like GoDaddy and Network Solutions, is giving brands 50 days to claim their domain. For example, Coca-Cola can grab [www.coca-cola.xxx](http://www.coca-cola.xxx). Stuart Lawley, the CEO of ICM Registry, says it should cost around \$200 for brands to get their .xxx domains. Unlike other top-level domains, which charge roughly \$50 a year to maintain rights to a URL, brand holders will pay a one-time fee for .xxx domains.

"The truth is, no one is going to be going to [coca-cola.xxx](http://coca-cola.xxx), but some may not want their brands associated [with .xxx domains] in any way," Lawley says.

After the 50-day period, there will be a 17-day period where domains are sold exclusively to the adult entertainment industry. Lawley says the appeal of such domains is that they will provide more traffic and offer a verification of sorts.

"It's a win because you'll be able to surf porn safely," says Lawley, adding that it's also a win for consumers wishing to avoid porn since they can filter out all .xxx sites.

The .xxx top-level-domain is the first to be approved by ICANN since .co, which was approved for commercial use in July 2010. ICANN has also approved a so-called "dot-whatever" plan that will allow for all kinds of suffixes. That proposal has been opposed by marketers, who claim it is a shakedown. For his part, Lawley says he is empathetic to marketers and thinks ICANN should have removed trademarked URLs from the table at no cost to the brands.

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